GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:2684
ANSWERED ON:01.08.2002
CLEARANCE OF HYDEL POWER PROJECTS
CHANDRA NATH SINGH;SADASHIVRAO DADOBA MANDLIK

Will the Minister of POWER be pleased to state:

(a) whether the Government propose to convene a meeting with International FinanceInstitution and Multilateral agencies to explore the possibility of making finance available at low rates on long terms basis for hydel power projects;

(b) if so, the details thereof;

(c) whether the Government have identified hydel projects and intend to provide a time bound clearance mechanism;

(d) if so, the details thereof and the time by which such projects are likely to be started; and

(e) the incentives and encouragements being made to stimulate the private sector investments?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA)

(a) to (e) : It is proposed to organize a Round Table on Hydro Power Developmentlater in this year to showcase the available hydro projects for detailed investigation and subsequent implementation. The multilateral institutions would also be invited to participate.

Government has undertaken a number of measures for accelerating the pace of hydro power development in the country with the ultimate objective of fully developing the feasible hydro power potential of the country.

In order to lower the gestation period and streamline the execution of central sector hydro projects, the Government introduced a three-stage clearance mechanism in 2001. A large number of hydro electric projects of 22795 MW have beeninitiated under Stage-I and Stage-II development in the Central Sector.The 10th five year plan has target of adding 14393 MW from hydro electric projects under Central, State and Private Sector.

The Central Electricity Authority has recently carried out a ranking studyto create a shelf of feasible projects which would facilitate the hydro developers to take up the implementation of potential sites in a phased manner in order of their ranking.

Among the donor agencies the JBIC is funding hydro projects.The Asian Development Bank (ADB) has agreed to consider financing of hydro projects. The funds from the donor agencies are provided on their standard terms and any special dispensation for hydro projects is not envisaged.

Debt with repayment over a longer period for hydro projects from the capital markets domestic as well as international would improve the viability of hydro projects which have a long life with no fuel costs.

Private investment including 100% foreign equity participation is permitted in the hydro sector in accordance with the policy guidelines of the Ministry of Power.